

REPORT FOR THE NINE MONTHS
ENDED MARCH 31, 2024



Redefining
Energy

Redefining
Inclusivity



Redefining
Caring & Giving



Redefining
Excellence





Redefining
Innovation

Redefining
Energy Transition



Redefining **Energy**

Pakistan State Oil (PSO) has been a pioneering force in redefining the energy landscape of Pakistan. Through its strategic integration of technology and renewable sources, the company has paved the way for a greener and more sustainable energy sector in Pakistan.

PSO's approach combines creativity and ingenuity, enabling the company to lead the way in developing innovative solutions and offering a consistent and diverse range of energy mix to meet the nation's energy demands. As a responsible energy company, PSO recognizes the importance of embracing renewable energy technologies, such as solar power, and places technology integration at the core of its operations.

By steadfastly committing to promoting a more sustainable future, PSO remains dedicated to driving the energy revolution in Pakistan, ensuring a harmonious balance between economic growth, environmental preservation, and social well-being.

Company Information

Board of Management

Chairman (Independent)

Mr. Asif Baigmohamed

Independent Members

Mr. Ahmed Jamal Mir

Mr. Mushtaq Malik

Mr. Waheed Ahmed Shaikh

Non-Executive Members

Mr. Asad Rehman Gilani

Mr. Awais Manzur Sumra

Mr. Hassan Mehmood Yousufzai

Mr. Shahbaz Tahir Nadeem

Managing Director &

Chief Executive Officer

Syed Muhammad Taha

Chief Financial Officer

Ms. Gulzar Khoja

Company Secretary

Mr. Rashid Umer Siddiqui

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Legal Advisors

Orr, Dignam & Co.

Advocates

Registered Office

Pakistan State Oil Company Limited

PSO House

Khayaban-e-Iqbal, Clifton

Karachi – 75600, Pakistan

UAN: +92 21 111 111 PSO (776)

Fax: +92 21 9920 3721

Website: www.pso.pk

Share Registrar

CDC Share Registrar Services Limited

CDC House, 99-B

Block B, S.M.C.H.S

Main Shahrah-e-Faisal

Karachi-74400, Pakistan

Tel.: 0800-CDCPL (23275)

Fax: +92 21 3432 6053

Email: info@cdcsrsl.com

Bankers

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

Bank AL Habib Limited

Citibank N.A.

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Standard Chartered Bank (Pakistan) Limited

The Bank of Punjab

United Bank Limited

Report to Shareholders

For the nine months ended March 31, 2024



The Board of Management of Pakistan State Oil Company Limited (PSO) is pleased to present the condensed unconsolidated and consolidated interim financial statements for the nine months ended March 31, 2024 (9MFY24) of the company and the group.

PSO continued to display remarkable buoyancy in challenging conditions, recording a net profit of PKR 13.4 billion for 9MFY24 (9MFY23: net profit of PKR 10.3 billion), translating into earnings per share of PKR 28.5 (9MFY23: EPS of PKR 21.9). The company attained gross sales of PKR 2.8 trillion (9MFY23: PKR 2.7 trillion).

In totality, the group recorded a net profit of PKR 16.6 billion for 9MFY24, a substantial increase from PKR 11.8 billion profit in 9MFY23. This commendable performance resulted in earnings per share of PKR 35.5 (9MFY23: EPS of PKR 25.1).

Global GDP growth is on an upward trajectory, now projected at 3.2%, a slight increase from the initial forecast of 3.1% earlier this year. This adjustment reflects improved growth expectations in several key economies. Concurrently, there has been a noticeable decline in global inflation rates, dropping from 8.7% in CY22 to 6.8% in CY23, with projections indicating a further decrease to 5.9% in CY24. However, heightened geopolitical tensions have introduced uncertainties, potentially affecting the supply-demand dynamics for the remainder of the year.

In the midst of these developments, the oil market remained notably volatile. Average oil prices surged to US\$83 per barrel during Q3FY24, up from US\$81 per barrel in the preceding quarter, contributing to an upward pressure on oil prices. To address this, OPEC+ has opted to extend and expand their voluntary production cuts which are expected to mitigate fluctuations in oil prices, providing a stabilizing effect on the market.

Pakistan's stock market rebounded, boosting economic activity despite a sluggish overall expansion. Key indicators showed improvement: GDP growth surged to 2.1% in Q3FY24

after two quarters of decline, driven by a 5% growth in agriculture and 2.5% in manufacturing. CPI-based inflation averaged 27.1% in 9MFY24, slightly lower than last year's 27.3%. The central bank has held the policy rate at 22% since June 2023. However, the automobile sector faced significant headwinds, with passenger car sales plummeting by 37% year-on-year (YoY) and motorbike/three-wheeler sales declining by 10%.

Pakistan's Large-Scale Manufacturing Industries (LSMI) witnessed a 0.5% contraction compared to the same period last year. However, the GDP is expected to increase in the subsequent quarters with the IMF projecting a modest real GDP growth rate of around 2% for Pakistan in CY24.

Despite significant challenges in the petroleum sector, PSO maintained the lion's share of the white oil market with a share of 52.4% as of period end, achieving a noteworthy increase of 1.3%. This growth was predominantly driven by a 2.1% increase in gasoline market share, soaring to 46.4% in 9MFY24. Furthermore, PSO maintained its dominant position in the diesel market with a market share of 54.5%.

The company retained its leading position in the black oil market, selling 247 KMT during the period, despite a 74.6% decline in sales YoY due to reduced furnace oil-based power generation. PSO continued to lead the jet fuel industry, securing an unprecedented market share of 99.4%.

PSO has been working diligently to enhance its storage infrastructure to optimize capacity and reliability. During the period, the company completed the construction of 7 new storage tanks with a combined capacity of 91 KMT across Faisalabad, Faqirabad, and Mehmoodkot. Furthermore, storage tanks totaling 26.6 KMT in capacity were successfully rehabilitated at Sihala, Pipri Marshalling Yard (PMY), Buffer Oil Terminal (BOT), Habibabad and Sahiwal. A total of 21.4 KMT of storage capacity is also being further enhanced at Zulfikarabad, Sihala, and Mehmoodkot terminals.

On the retail front, PSO expanded its presence by developing 37 new retail outlets, taking the total nationwide footprint to 3,555, further solidifying the company's focus to providing accessible and reliable energy solutions to its customers.

In a significant development, CERISMA (Private) Limited, PSO's Fintech arm, was granted the in-principle approval for Electronic Money Institution (EMI) by the State Bank of Pakistan (SBP). This achievement is poised to revolutionize financial inclusion and empowerment, harnessing a digital framework to enable nationwide financial accessibility.

As part of PSO's state-of-the-art Fuel Management System solution, the national flag bearers - PSO and Pakistan Railways (PR) inaugurated the recently upgraded Railways Filling and Storage Facilities at Karachi and Lahore, representing a significant step in bringing in operational efficiencies while further strengthening over 4 decades of relationship between the two entities.

In a strategic bid to fortify Pakistan's fuel supply chain, the company in collaboration with Frontier Works Organization (FWO) and Inter State Gas Systems (Pvt) Limited (ISGS) is set to transform the energy landscape with a visionary White Oil Pipeline (WOP) initiative in northern Pakistan, aiming to expand the pipeline network from Machike (Lahore)

Tarujabba (Peshawar). The initiative promises enhanced efficiency in transporting large fuel volumes over extended distances with more safety, reduced cost, decreased road congestion while significantly reducing the nation's carbon footprint.

As part of its ongoing efforts to reduce plastic waste and promote eco-friendly infrastructure, the company launched the ECO street initiative which repurposed 5,000 kg of recycled plastic waste from its Lubricant Manufacturing Terminal (LMT) in Karachi. The effort transformed approximately 49,428 square feet of traditional road into a symbol of green living, not only reducing waste but also enhancing the durability of the road, setting a new standard for environmentally responsible construction.

Rooted in its core value of Caring and Giving, PSO, through its CSR Trust, continued to make significant contributions towards the community. The Trust spearheaded a nationwide ration distribution drive worth PKR 100 million in the Holy month of Ramadan. PKR 201 million were contributed to initiatives in healthcare, education, youth development, social enterprise advancement, and community building through various charitable organizations.

To enhance financial and operational performance, PSO is actively pursuing various avenues, including digitization and automation, process optimization, and bolstering operational reliability and capacity. The company aims to enrich customer experience through value-added services and generate shareholder value through strategic long-term projects.

The circular debt crisis remained a challenge for the company. By March 31, 2024, PSO had outstanding trade receivables totaling PKR 528 billion (excluding late payment surcharges), with PKR 368 billion owed by SNGPL. Furthermore, heightened average borrowing levels contributed to a 61% surge in finance costs compared to the previous year. Collaborative efforts with the government are underway to explore solutions and ease the strain on PSO's financial standing caused by the circular debt predicament.

As economic indicators strengthen and the circular debt issue is resolved, the company, driven by its robust business strategies aims to significantly increase shareholder value and ensure top-tier business performance in the foreseeable future.

The Board and the Management extend their gratitude to the company's shareholders, customers, business partners, and employees for their continued trust, and also thank the Government of Pakistan, especially the Ministry of Energy (Petroleum Division) for their guidance and support.



Syed Muhammad Taha
Managing Director & CEO



Asif Baig Mohamed
Chairman – Board of Management

April 26, 2024
Karachi

Condensed Unconsolidated Interim Statement of Financial Position

As at March 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
		----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
	7	20,874,136	18,640,560
	8	7,381,939	6,898,277
		261,153	239,282
	9	13,047,496	11,261,720
		979,426	761,044
		361,643	370,750
		23,059,661	21,875,045
		<u>65,965,454</u>	<u>60,046,678</u>
Current assets			
		959,174	871,872
	10	295,568,157	292,626,142
	11	524,067,621	495,898,435
		905,991	569,484
		932,154	1,204,894
	12	115,676,899	103,224,248
		22,551,119	28,954,358
		960,661,115	923,349,433
		-	-
		<u>1,026,626,569</u>	<u>983,396,111</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
		4,694,734	4,694,734
		221,286,308	211,865,173
		<u>225,981,042</u>	<u>216,559,907</u>
Non-current liabilities			
		12,447,341	11,185,640
		7,280,106	6,611,373
		100,000	100,000
		741,431	593,849
		<u>20,568,878</u>	<u>18,490,862</u>
Current liabilities			
	13	356,692,206	308,090,800
		408,232,783	422,705,573
		8,365,406	11,523,844
		639,413	639,413
		574,122	483,269
		3,946,819	3,341,201
		1,625,900	1,561,242
		<u>780,076,649</u>	<u>748,345,342</u>
		<u>800,645,527</u>	<u>766,836,204</u>
		<u>1,026,626,569</u>	<u>983,396,111</u>
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			
Contingencies and commitments			
	14		

The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.


Syed Muhammad Taha
 Managing Director & CEO


Asif Baigmohamed
 Chairman – Board of Management


Gulzar Khoja
 Chief Financial Officer

Condensed Unconsolidated Interim Statement of Profit or Loss (Un-Audited)

For the nine months and quarter ended March 31, 2024

Note	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
Gross sales	2,839,409,883	2,678,556,392	908,260,344	861,668,318
Less:				
- Sales tax	(148,469,605)	(154,754,025)	(54,997,959)	(48,472,304)
- Inland freight equalization margin	(20,182,662)	(6,849,072)	(9,775,610)	(1,506,704)
	(168,652,267)	(161,603,097)	(64,773,569)	(49,979,008)
Net sales	2,670,757,616	2,516,953,295	843,486,775	811,689,310
Cost of products sold	(2,590,863,632)	(2,458,727,134)	(818,813,480)	(765,024,557)
Gross profit	79,893,984	58,226,161	24,673,295	46,664,753
Other income	15 13,289,589	11,544,572	2,180,563	1,937,589
Operating costs				
Distribution and marketing expenses	(13,706,789)	(10,398,964)	(4,981,508)	(4,444,134)
Administrative expenses	(4,436,212)	(3,825,404)	(1,409,758)	(1,026,811)
Provision for impairment on financial assets - net	(871,134)	(478,330)	(11,480)	(211,223)
Other expenses	(2,878,714)	(2,045,441)	(307,289)	(2,009,634)
	(21,892,849)	(16,748,139)	(6,710,035)	(7,691,802)
Profit from operations	71,290,724	53,022,594	20,143,823	40,910,540
Finance costs	16 (40,408,273)	(25,142,623)	(15,039,409)	(12,682,437)
Share of profit / (loss) of associates - net of tax	1,063,990	(1,011,621)	294,472	(1,485,839)
Profit before taxation	31,946,441	26,868,350	5,398,886	26,742,264
Taxation				
- current	(21,494,233)	(17,638,831)	(2,022,928)	(9,172,947)
- prior	2,052,408	695,868	1,811,975	-
- deferred	892,588	359,677	459,313	(3,923,155)
	(18,549,237)	(16,583,286)	248,360	(13,096,102)
Profit for the period	13,397,204	10,285,064	5,647,246	13,646,162
----- (Rupees) -----				
Earnings per share - basic and diluted	17 28.54	21.91	12.03	29.07

The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.


Syed Muhammad Taha
 Managing Director & CEO


Asif Baig Mohamed
 Chairman - Board of Management


Gulzar Khoja
 Chief Financial Officer

Condensed Unconsolidated Interim Statement of Comprehensive Income (Un-Audited)

For the nine months and quarter ended March 31, 2024

Note	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
Profit for the period	13,397,204	10,285,064	5,647,246	13,646,162
Other comprehensive (loss) / income:				
Items that will not be subsequently reclassified to statement of profit or loss:				
Share of actuarial gain / (loss) on remeasurement of staff retirement benefits of associates - net of tax	1,737	(5,721)	-	-
Unrealised (loss) / gain on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI) 9.1.1	(748,788)	(24,460)	66,086	52,374
Taxation thereon	292,032	8,072	(25,768)	(17,283)
	(456,756)	(16,388)	40,318	35,091
Other comprehensive (loss) / income	(455,019)	(22,109)	40,318	35,091
Total comprehensive income for the period	12,942,185	10,262,955	5,687,564	13,681,253

The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.



Syed Muhammad Taha
Managing Director & CEO



Asif Baig Mohamed
Chairman – Board of Management



Gulzar Khoja
Chief Financial Officer

Condensed Unconsolidated Interim Statement of Changes in Equity (Un-Audited)

For the nine months period ended March 31, 2024

	Reserves							Total
	Share capital	Capital Reserves	Revenue Reserves				Sub-total	
			Surplus on vesting of net assets	Unrealised gain / (loss) on remeasurement of FVOCI investments	General reserve	PSO venture capital fund		
	(Rupees in '000)							
Balance as at July 01, 2022 (Audited)	4,694,734	3,373	2,240,544	25,282,373	1,478,551	181,949,526	210,954,367	215,649,101
Total comprehensive income / (loss) for nine months period ended								
Profit for the period	-	-	-	-	-	10,285,064	10,285,064	10,285,064
Other comprehensive loss								
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	(5,721)	(5,721)	(5,721)
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(16,388)	-	-	-	(16,388)	(16,388)
	-	-	(16,388)	-	-	(5,721)	(22,109)	(22,109)
Transactions with the owners:								
Final dividend for the year ended June 30, 2022 at Rs. 10 per share	-	-	-	-	-	(4,694,734)	(4,694,734)	(4,694,734)
Balance as at March 31, 2023	<u>4,694,734</u>	<u>3,373</u>	<u>2,224,156</u>	<u>25,282,373</u>	<u>1,478,551</u>	<u>187,534,135</u>	<u>216,522,588</u>	<u>221,217,322</u>
Balance as at July 01, 2023 (Audited)	4,694,734	3,373	1,909,133	25,282,373	1,722,212	182,948,082	211,865,173	216,559,907
Total comprehensive income for nine months period ended								
Profit for the period	-	-	-	-	-	13,397,204	13,397,204	13,397,204
Other comprehensive (loss) / income								
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	1,737	1,737	1,737
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(456,756)	-	-	-	(456,756)	(456,756)
	-	-	(456,756)	-	-	1,737	(455,019)	(455,019)
Transactions with the owners:								
Final dividend for the year ended June 30, 2023 at Rs. 7.5 per share	-	-	-	-	-	(3,521,050)	(3,521,050)	(3,521,050)
Balance as at March 31, 2024	<u>4,694,734</u>	<u>3,373</u>	<u>1,452,377</u>	<u>25,282,373</u>	<u>1,722,212</u>	<u>192,825,973</u>	<u>221,286,308</u>	<u>225,981,042</u>

The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.


Syed Muhammad Taha
 Managing Director & CEO


Asif Baig Mohamed
 Chairman – Board of Management


Gulzar Khoja
 Chief Financial Officer

Condensed Unconsolidated Interim Statement of Cash Flows (Un-Audited)

For the nine months period ended March 31, 2024

Note	Nine months ended		
	March 31, 2024	March 31, 2023	
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	18	80,010,283	(205,454,495)
Long-term loans, advances and other receivables		(601,381)	(440,103)
Long-term deposits		9,107	(429,929)
Taxes paid		(18,836,207)	(25,453,739)
Finance costs paid		(42,776,964)	(16,215,971)
Retirement and other service benefits paid		265,567	(517,294)
Net cash generated from / (used in) operating activities		18,070,405	(248,511,531)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(4,090,674)	(3,227,802)
Proceeds from disposal of operating assets		43,242	75,819
Investment in subsidiaries		(2,048,000)	-
Dividend received		773,638	555,839
Net cash used in investing activities		(5,321,794)	(2,596,144)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / proceeds from short-term borrowings - net		(21,717,207)	210,811,719
Lease rentals paid		(1,222,669)	(950,891)
Dividends paid		(3,456,392)	(4,601,835)
Net cash (used in) / generated from financing activities		(26,396,268)	205,258,993
Net decrease in cash and cash equivalents		(13,647,656)	(45,848,682)
Cash and cash equivalents at beginning of the period		25,808,493	12,060,789
Cash and cash equivalents at end of the period	19	12,160,837	(33,787,893)

The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.



Syed Muhammad Taha
Managing Director & CEO



Asif Baig Mohamed
Chairman - Board of Management



Gulzar Khoja
Chief Financial Officer

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Pakistan State Oil Company Limited ("the Company") is a public company incorporated in Pakistan in 1976 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PSO House, Khayaban-e-Iqbal, Clifton, Karachi. The principal activities of the Company are procurement, storage and marketing of petroleum and related products. It also blends and markets various kinds of lubricating oils.

1.2 The business units of the Company include the following:

Business Unit	Geographical Location
Head Office	PSO House, Khayaban-e-Iqbal, Clifton, Karachi.
Lubes Manufacturing Plant	National Refinery Limited, Korangi, Karachi. Kemari Oil Terminal, Kemari, Karachi.

1.3 The Board of Management (BoM) nominated by the Federal Government under Section 7 of the Marketing of Petroleum Products (Federal Control) Act, 1974 ("the Act") manages the affairs of the Company. The provisions of the Act shall have effect notwithstanding anything contained in the Companies Act, 2017 or any other law for the time being in force or any agreement, contract, Memorandum or Articles of Association of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed unconsolidated interim financial statements of the Company for the nine months period ended March 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

- 2.2 These condensed unconsolidated interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2023. These condensed unconsolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3 These condensed unconsolidated interim financial statements are the separate financial statements of the Company in which investment in subsidiaries has been accounted for at cost less accumulated impairment losses, if any. The condensed consolidated interim financial statements are presented separately.
- 2.4 The Securities and Exchange Commission of Pakistan (SECP) through SRO 67(I)/2023 dated January 20, 2023 has granted exemption from application of expected credit losses (ECL) method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt till December 31, 2024, provided that the Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Company has not recorded impact of aforesaid ECL on trade debts of SNGPL, HUBCO and GENCO in these condensed unconsolidated interim financial statements based on the exemption granted by SECP in this respect.
- 2.5 As mentioned in note 2.7 of the annual unconsolidated financial statements as at and for the year ended June 30, 2023, the Honourable Supreme Court of Pakistan in its short order dated October 22, 2020, in the cases filed by other companies declared that Benazir Employees Stock Option Scheme (BESOS) is unconstitutional and ultra-vires. The Ministry of Energy (Petroleum Division) through its letter reference F.No. 8(9)/2014/BESOS/D-III (Volume-IV) dated November 25, 2020 directed the Company while referring Finance's Division letter no. F.2 (39) - NTR/2-2-F dated November 19, 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund. As at March 31, 2024, the Company awaits the specific instructions from the Ministry of Energy (Petroleum Division) regarding the winding up of the Trust, after which it shall take the requisite corporate actions for the transfer of 3.04% shareholding back to the Federal Government and related actions for liquidation of the Trust and crediting the Trust funds in the Federal Consolidated Fund.
- 2.6 These condensed unconsolidated interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these condensed unconsolidated interim financial statements, in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended June 30, 2023.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the Company's annual unconsolidated financial statements for the year ended June 30, 2023.

5. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATIONS AND FORTHCOMING REQUIREMENTS

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2023 but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these condensed unconsolidated interim financial statements.

6. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE

There are standards, amendments and interpretations with respect to the accounting and reporting standards as applicable in Pakistan, that would be effective from future, but, are considered not to be relevant or do not have any significant effect on the Company and accordingly have not been stated in these condensed unconsolidated interim financial statements.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2024 (Un-audited)	March 31, 2023 (Un-audited)	March 31, 2024 (Un-audited)	March 31, 2023 (Un-audited)
	----- (Rupees in '000) -----			
Freehold land	50,633	345,038	-	-
Buildings on freehold land	89,937	25,788	-	2,778
Buildings on leasehold land	15,690	96,339	-	557
Tanks and pipelines	560,576	922,840	-	46
Service and filling stations	1,469,344	658,971	408	706
Plant and machinery	274,731	406,370	-	212
Furniture and fittings	79,871	30,595	66	97
Vehicles and other rolling stock	159,191	203,439	4,197	4,723
Office equipments	279,020	90,429	-	136
Gas cylinders / regulators	52,552	16,950	-	-
	3,031,544	2,796,759	4,671	9,255

7.2 The above disposals represented assets costing Rs. 126,928 thousand (March 31, 2023: Rs. 534,243 thousand) and were disposed off for Rs. 43,241 thousand (March 31, 2023: Rs. 75,671 thousand).

7.3 As at March 31, 2024, operating assets includes net book value of Rs. 767,647 thousand (June 30, 2023: Rs. 899,666 thousand) in respect of Company's share in joint operations.

7.4 As at March 31, 2024, capital work-in-progress includes amount of Rs. 333,786 thousand (June 30, 2023: Rs. 192,987 thousand) in respect of Company's share in joint operations.

8. RIGHT-OF-USE ASSETS

During the period, the Company recognised right-of-use assets comprising mainly land amounting to Rs. 751,839 thousand (March 31, 2023: Rs. 145,989 thousand) and modification amounting to Rs. 600,170 thousand (March 31, 2023: Rs. 214,990 thousand). Further, right-of-use assets having net book value of Rs. 16,606 thousand (March 31, 2023: Rs. Nil) have been disposed off due to the extinguishment of lease during the period.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

9. LONG-TERM INVESTMENTS	Note	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----			
Investment in related parties			
Investment held at fair value through other comprehensive income (FVOCI)			
Unquoted company			
- Pak-Arab Pipeline Company Limited (PAPCO) Equity held: 12% (June 30, 2023: 12%) No. of shares: 8,640,000 (June 30, 2023: 8,640,000) of Rs. 100/- each	9.1	3,244,411	3,993,199
Investment in subsidiaries - at cost			
Quoted company			
- Pakistan Refinery Limited (PRL) Equity held 63.56% (June 30, 2023: 63.56%) No. of shares: 400,459,028 (June 30, 2023: 400,459,028) of Rs. 10/- each		4,890,680	4,890,680
Unquoted companies			
- Cerisma (Private) Limited (CPL) Equity held 100% (June 30, 2023: 100%) No. of shares: 499,999 (June 30, 2023: 499,999) of Rs. 10/- each	9.2	50,000	5,000
- PSO Renewable (Private) Limited (PRE) Equity held 100% (June 30, 2023: 100%) No. of shares: 999,999 (June 30, 2023: 999,999) of Rs. 10/- each	9.3	535,000	10,000
- PSO Venture Capital (Private) Limited (PSOVC) Equity held 100% (June 30, 2023: Nil) No. of shares: 147,799,999 (June 30, 2023: Nil) of Rs. 10/- each	9.4	1,478,000	-
		2,063,000	15,000
Investment in associates			
Unquoted companies			
- Asia Petroleum Limited Equity held: 49% (June 30, 2023: 49%) No. of shares: 46,058,570 (June 30, 2023: 46,058,570) of Rs. 10/- each		2,799,942	2,325,836
- Pak Grease Manufacturing Company (Private) Limited Equity held: 22% (June 30, 2023: 22%) No. of shares: 686,192 (June 30, 2023: 686,192) of Rs. 10/- each		49,463	37,005
		2,849,405	2,362,841
		13,047,496	11,261,720

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

- 9.1 The Company has carried out an exercise to ascertain the fair value of investment as at March 31, 2024 using the discounted cash flow technique (Level 3). The following major assumptions and inputs were used by the management to determine the aforesaid fair value:

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
- Discount rate	21.25% - 22.05%	19.56% - 19.94%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Company has recorded an unrealised loss (net of tax) of Rs. 456,756 thousand (March 31, 2023: Rs. 16,388 thousand) in other comprehensive income for the period.

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
9.1.1 Movement of investment classified as FVOCI		
Balance at beginning of the period / year	3,993,199	4,208,094
Remeasurement loss recognised in other comprehensive income	(748,788)	(214,895)
Balance at the end of the period / year	<u>3,244,411</u>	<u>3,993,199</u>
9.1.2 Sensitivity to unobservable inputs:		
- Discount rate (1% increase)	(232,551)	(294,970)
- Discount rate (1% decrease)	266,744	343,832
- Growth rate of terminal value (1% increase)	153,367	208,593
- Growth rate of terminal value (1% decrease)	(134,495)	(179,941)

- 9.2 Includes Rs. 45,000 thousand (June 30, 2023: Nil) paid to CPL as advance against issue of shares.

- 9.3 Includes Rs. 525,000 thousand (June 30, 2023: Nil) paid to PRE as advance against issue of shares.

- 9.4 PSOVC has been incorporated as private limited company. The principal activity of PSOVC is to carry on business of private equity and venture capital fund management services. The principal place of business for PSOVC is Sindh, Pakistan.

10. STOCK-IN-TRADE

As at March 31, 2024, stock has been written down by Rs. 20,979 thousand (June 30, 2023: Rs. Nil) to arrive at its net realisable values.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

	Note	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----			
11. TRADE DEBTS			
 Considered good			
Due from Government agencies and autonomous bodies			
- Secured	11.1	890,480	77,603
- Unsecured	11.2 & 11.3	465,334,691	436,761,005
		466,225,171	436,838,608
Due from other customers			
- Secured	11.1	4,698,116	6,628,389
- Unsecured	11.2 & 11.3	53,144,334	52,431,438
		57,842,450	59,059,827
		524,067,621	495,898,435
 Considered doubtful		3,858,332	2,939,979
Trade debts - gross		527,925,953	498,838,414
Less: Provision for impairment	11.5	(3,858,332)	(2,939,979)
Trade debts - net		524,067,621	495,898,435

- 11.1** These debts are secured by way of bank guarantees and security deposits.
- 11.2** Includes Rs. 411,263,415 thousand (June 30, 2023: Rs. 437,863,784 thousand) due from related parties, against which provision for impairment of Rs. 1,529,338 thousand (June 30, 2023: Rs. 851,302 thousand) has been recognised.
- 11.3** These debts include an aggregate amount of Rs. 457,402,418 thousand (June 30, 2023: Rs. 433,921,957 thousand) due from GENCO Holding Company Limited (GENCO), Hub Power Company Limited (HUBCO), and Sui Northern Gas Pipelines Company Limited (SNGPL) on account of inter-corporate circular debt. These include past due trade debts of Rs. 71,617,958 thousand (June 30, 2023: Rs. 71,921,997 thousand), Rs. 18,135,551 thousand (June 30, 2023: Rs. 18,135,551 thousand) and Rs. 324,698,802 thousand (June 30, 2023: Rs. 298,429,214 thousand) from GENCO, HUBCO and SNGPL respectively, based on the agreed credit terms. The Company carries a specific provision of Rs. 346,975 thousand (June 30, 2023: Rs. 346,975 thousand) against these debts and does not consider the remaining aggregate past due balance of Rs. 414,105,337 thousand (June 30, 2023: Rs. 388,139,788 thousand) as doubtful based on measures being undertaken by the Government of Pakistan (GoP) to resolve circular debt issue. The Company is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.
- 11.4** As at March 31, 2024 trade debts aggregating Rs. 90,686,172 thousand (June 30, 2023: Rs. 110,081,370 thousand) are neither past due nor impaired. The remaining trade debts aggregating to Rs. 433,381,449 thousand (June 30, 2023: Rs. 385,817,065 thousand) are past due but not impaired.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

Based on the past experience, past track record, recoveries and future economic forecasts, the Company believes that the above past due trade debts do not require any additional provision for impairment except as provided in these condensed unconsolidated interim financial statements.

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
11.5	The movement in provision during the period / year is as follows:	
	2,939,979	2,737,455
Balance at beginning of the period / year		
Provision recognised during the period / year	1,162,991	282,038
Reversal of provision made during the period / year	(244,638)	(79,514)
	918,353	202,524
Balance at the end of the period / year	<u>3,858,332</u>	<u>2,939,979</u>

12. OTHER RECEIVABLES

12.1 Included in other receivables is long outstanding aggregate amount due from GoP on account of the following receivables, as more fully explained in note 16 to the annual audited unconsolidated financial statements for the year ended June 30, 2023:

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
Price Differential Claims (PDC):		
- on imports of Motor Gasoline - (net of related liabilities)	1,350,961	1,350,961
- on High Speed Diesel	602,604	602,604
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GENCO receivables	3,407,357	3,407,357
	<u>9,297,420</u>	<u>9,297,420</u>

12.2 Includes receivable of Rs. 112,872,802 thousand (June 30, 2023: Rs. 98,089,007 thousand) due from associates and related parties.

12.3 As at March 31, 2024, receivables aggregating to Rs. 9,213,450 thousand (June 30, 2023: Rs. 9,262,958 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
Balance at beginning of the period / year	9,262,958	9,028,322
Provision recognised during the period / year	2,041	300,000
Reversal of provision during the period / year	(49,260)	(65,364)
	(47,219)	234,636
Balance at the end of the period / year	<u>9,215,739</u>	<u>9,262,958</u>

- 12.4** As at March 31, 2024, net unfavorable amount of foreign exchange difference of Rs. 55,805,919 thousand (June 30, 2023: Rs. 61,455,158 thousand) was receivable on foreign currency borrowings (FE-25), obtained under the directives of MoF - GoP. These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Company recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Company in respect of these long / extended term borrowing arrangements i.e. the Company would not bear any exchange differences on such borrowings. The Company is actively pursuing with MoF - GoP for settlement of this receivable and is confident for recovery of the same.

13. TRADE AND OTHER PAYABLES

Includes Rs. 99,692,754 thousand (June 30, 2023: Rs. 132,863,995 thousand) due to various related parties.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There is no significant change in the status of contingencies as disclosed in notes 29.1.1 to 29.1.4 to the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023 other than as mentioned in the below notes.

14.1.1 Income tax

- 14.1.1.1** In respect of matter disclosed in note 29.1.1.1 to the unconsolidated financial statements for the year ended June 30, 2023, the Company has obtained an appeal effect order dated October 26, 2023 in respect of ATIR order from taxation authorities for the tax year 2007 after which demand has been further reduced to Rs. 169,744 thousand. Based on views of the tax advisor, the management believes that it is more likely than not that the matters will ultimately be decided in the favour of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

14.1.2 Other legal claims

14.1.2.1 As at March 31, 2024 certain legal cases amounting to Rs. 8,521,440 thousand (June 30, 2023: Rs. 8,300,811 thousand) have been filed against the Company. However, based on advice of legal advisors of the Company, the management believes that the outcome of these cases would be decided in Company's favor. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

14.1.2.2 Claims against the Company not acknowledged as debts amounting to Rs. 13,515,321 thousand (June 30, 2023: Rs. 10,806,297 thousand).

14.1.2.3 The Company's share in associates' contingencies in respect of various tax and legal matters as at March 31, 2024 is Rs. 101,737 thousand (June 30, 2023: Rs. 1,200,155 thousand).

	Un-audited March 31, 2024	Audited June 30, 2023
	----- (Rupees in '000) -----	
14.2 Commitments		
14.2.1 Capital expenditure contracted for but not yet incurred	<u>7,308,337</u>	<u>6,976,268</u>
14.2.2 Letters of credit	<u>9,111,335</u>	<u>68,252,485</u>
14.2.3 Bank guarantees	<u>4,689,754</u>	<u>4,113,832</u>
14.2.4 Standby Letters of credit	<u>86,395,860</u>	<u>84,534,155</u>
14.2.5 Post - dated cheques	<u>26,240,709</u>	<u>20,770,881</u>

14.2.6 The Company's share in associates' commitments as at March 31, 2024 is Rs. Nil (June 30, 2023: Rs. 4,174 thousand).

15. OTHER INCOME

Mainly includes delayed payment surcharge received from customers and reimbursement of financial charges on line fill cost in respect of petroleum products in white oil pipeline.

16. FINANCE COSTS

Includes mark-up on short-term borrowings amounting to Rs. 38,758,989 thousand (March 31, 2023: Rs. 23,545,943 thousand).

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

17. EARNINGS PER SHARE

	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
17.1 Basic	----- (Rupees in '000) -----			
Profit for the period attributable to ordinary shareholders	<u>13,397,204</u>	10,285,064	<u>5,647,246</u>	<u>13,646,162</u>
Weighted average number of ordinary shares outstanding during the period	----- (Number of Shares) -----			
	<u>469,473,302</u>	469,473,302	<u>469,473,302</u>	<u>469,473,302</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>28.54</u>	21.91	<u>12.03</u>	<u>29.07</u>

17.2 Diluted

There is no dilutive effect on the basic earnings per share of the Company as there are no convertible ordinary shares in issue as at March 31, 2024 and March 31, 2023.

18. CASH GENERATED FROM OPERATIONS

Note	Un-audited Nine months ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Profit before taxation	31,946,441	26,868,350
Depreciation and amortisation	2,682,296	2,229,061
Provision for impairment on trade debts - net	11.5 918,353	243,601
(Reversal of) / provision for impairment on other receivables - net	12.3 (47,219)	234,729
(Reversal of) / provision for impairment against stores, spares and loose tools	(51,435)	23,175
Provision for retirement and other services benefits	996,134	1,276,115
Provision for write down of inventory to net realisable value	10 20,979	-
Gain on disposal of operating assets & intangibles	(38,571)	(66,564)
Gain on disposal of right-of-use assets due to extinguishment	(2,789)	-
Share of (profit) / loss from associates - net of tax	(1,063,990)	1,011,621
Dividend income from FVOCI investment	(194,475)	(325,546)
Interest on lease payments	649,645	520,795
Finance costs	<u>39,758,628</u>	<u>24,621,828</u>
	<u>43,627,556</u>	<u>29,768,815</u>
Changes in:		
- Stores, spares and loose tools	(35,867)	(112,071)
- Stock-in-trade	(2,962,994)	(36,965,052)
- Trade debts	(29,087,539)	(114,026,371)
- Loans and advances	46,492	(14,747)
- Deposits and short-term prepayments	272,740	(815,025)
- Other receivables	(12,405,432)	(51,674,281)
- Trade and other payables	<u>48,608,886</u>	<u>(58,484,113)</u>
	<u>4,436,287</u>	<u>(262,091,660)</u>
	<u>80,010,283</u>	<u>(205,454,495)</u>

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of the following items in the condensed unconsolidated interim statement of financial position:

	Un-audited Nine months ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Cash and bank balances	22,551,119	11,922,390
Short-term borrowings (finances under mark-up arrangements)	<u>(10,390,282)</u>	<u>(45,710,283)</u>
	<u>12,160,837</u>	<u>(33,787,893)</u>

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company's financial risk management policies and objectives are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2023.

These condensed unconsolidated interim financial statements do not include all financial risk management information and disclosures which are required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2023.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. The carrying values of all financial assets and liabilities reflected in these condensed unconsolidated interim financial statements approximate their fair values. The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As at March 31, 2024, except for the Company's investment in PAPCO, none of the financial instruments is carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 9.1 of these condensed unconsolidated interim financial statements.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

21.1 Related parties comprise of subsidiary companies, associate companies, retirement benefit funds, state owned / controlled entities, GoP and its related entities and key management personnel. Details of transactions with the related parties during the period, other than those disclosed elsewhere in these condensed unconsolidated interim financial statements, are as follows:

Name of the related party and relationship with the company	Nature of Transactions	Un-audited Nine months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
Subsidiary			
- Pakistan Refinery Limited	Purchases	107,653,897	101,815,558
	Income facility charges	-	7,451
Associates			
- Asia Petroleum Limited	Income facility charges	427,927	19,096
	Pipeline charges	-	119,291
	Dividend received	575,732	230,293
- Pak Grease Manufacturing Company (Private) Limited	Purchases	-	66,337
	Dividend received	3,431	-
- Cnergyco PK Limited	Purchases	4,855,325	12,535,682
- Petroleum Institute of Pakistan	Services received	26,377	11,688
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	450,724	292,251
	Contributions made	255,412	213,700
- Gratuity Fund	Charge for the period	545,410	434,059
	Contributions made	253,832	219,750
- Provident Funds	Charge / contribution for the period	166,085	152,059
- Pension Funds (Defined Contribution)	Charge / contribution for the period	175,348	168,503
Key management personnel*	Managerial remuneration including benefits and perquisites	599,830	461,918
Non-executive Directors	Remuneration and fees	22,650	15,625

* There are no transactions with the key management personnel other than those covered under their terms of employments / entitlements.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

21.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 22.47% of the Company's issued share capital and is entitled to appoint members of the Board of Management (BoM) under the provisions of the Marketing of Petroleum Products (Federal Control) Act, 1974 for management of the affairs of the Company. The Company, therefore, considers that the GoP is in a position to exercise control over it and therefore regards the GoP and its various bodies as related parties for the purpose of disclosures in respect of related parties.

The Company has availed the exemption available to it under IAS 24, and therefore has not provided detailed disclosures of its transactions with GoP related entities except for transactions stated below, which the Company considers to be significant:

Name of the related party	Nature of Transactions	Un-audited Nine months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
- Government of Pakistan	Dividend paid	791,281	1,055,041
- PSOCL Employees Empowerment Trust	Dividend paid to the trust	106,977	142,636
- Board of Management	Contribution towards expenses of BoM	26,457	16,772
- Pak Arab Pipeline Company Limited	Pipeline charges	5,092,390	1,053,684
	Dividend received	194,475	325,546
- Sui Northern Gas Pipelines Limited	Gross sales	880,311,967	839,474,074
- Water and Power Development Authority (WAPDA)	Utility Charges	93,262	147,484
- Northern Power Generation Company Limited	Gross Sales	-	3,497,652
- Jamshoro Power Company Limited	Gross Sales	1,615,470	2,706,624
- WAPDA Foundation	Gross Sales	-	1,157,850
- CPPA	Gross Sales	-	4,078,733
- Oil and Gas Development Company	Gross sales	-	-
	Purchases	2,863,825	2,348,592
- Pakistan Railways	Gross sales	28,046,859	19,896,463
- Pakistan International Airlines Corporation Limited	Gross sales	40,567,056	41,499,962
	Purchases	11,015	3,629
- Pakistan Petroleum Limited	Gross sales	277,910	83,170
- Pak Arab Refinery Limited	Purchases	379,637,546	421,908,802
	Pipeline charges	1,021,716	5,038,583
- K-Electric Limited	Gross sales	15,302,226	78,749,698
	Income facility charges	6,009	34,615
- National Bank of Pakistan	Finance cost and bank charges	10,889,233	3,014,292

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

The transactions described below are collectively but not individually significant to these condensed unconsolidated interim financial statements and therefore have been described below:

- (i) The Company sells petroleum products to various government bodies in the normal course of its business and has banking relationship with institutions controlled by GoP. As an Oil Marketing Company, Oil and Gas Regulatory Authority (OGRA) is the regulatory authority of the Company.
- (ii) The Company collects income tax, sales tax, federal excise duty and petroleum levy in the capacity of withholding agent on behalf of GoP. The Company also pays various taxes and duties to different regulatory authorities including Federal Board of Revenue.
- (iii) The Company incurs rental charges in respect of storage facilities at Kemari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Company also utilises port facilities of Port Qasim Authority and Karachi Port Trust.
- (iv) The Company has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
- (v) The Company utilises carriage services of Pakistan National Shipping Corporation and Pakistan Railway for movement of its petroleum products. The Company also uses pipeline of Pak Arab Refinery Limited (PARCO) and Pak Arab Pipeline Company Limited (PAPCO) for delivery/movement of its products.
- (vi) The Company obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited, Water and Power Development Authority and K-Electric Limited.
- (vii) The Company sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.
- (viii) The Company has obtained various financing facilities from National Bank of Pakistan.
- (ix) The Company also pays dividend to various GoP related entities who are shareholders of the Company.

21.3 Inventory of the Company held by related parties as at March 31, 2024 amounting to Rs. 134,905,912 thousand (June 30, 2023: Rs. 112,847,307 thousand).

21.4 Short-term borrowings includes Rs. 127,172,216 thousand (June 30, 2023: Rs. 115,819,571 thousand) under finances obtained from National Bank of Pakistan.

21.5 The status of outstanding receivables and payables from / to related parties as at March 31, 2024 are included in respective notes to these condensed unconsolidated interim financial statements.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

- 21.6 Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

22. OPERATING SEGMENTS

- 22.1 Segment wise revenues and profit are as under:

Revenue - net sales

	March 31, 2024	March 31, 2023
Petroleum Products	1,919,682,000	1,795,817,000
Liquefied Natural Gas (LNG)	743,921,000	716,067,000
Others	7,154,616	5,069,295
	<u>2,670,757,616</u>	<u>2,516,953,295</u>

Profit / (loss) for the period

Petroleum Products	31,426,000	17,479,000
Liquefied Natural Gas (LNG)	(23,513,000)	(8,585,000)
Others	5,484,204	1,391,064
	<u>13,397,204</u>	<u>10,285,064</u>

- 22.2 Timing of revenue recognition is at a point in time.
- 22.3 Out of total sales of the Company, 99.7% (March 31, 2023: 99.8%) relates to customers in Pakistan.
- 22.4 All non-current assets of the Company as at March 31, 2024 and 2023 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 36% during the nine months period ended March 31, 2024 (March 31, 2023: 37%).
- 22.5 Out of total gross sales of the Company, sales for the nine months period ended March 31, 2024, amounting to Rs. 881,927,437 thousand (March 31, 2023: Rs. 888,716,250 thousand), relates to circular debt customers.

23. EVENTS AFTER THE REPORTING DATE

The Board of Management in its meeting held on April 26, 2024 has proposed an interim cash dividend of Rs. Nil (March 31, 2023: Nil) amounting to Rs. Nil (March 31, 2023: Nil) for the year ending June 30, 2024.

24. GENERAL

The figures are rounded off to the nearest thousand rupees, unless otherwise specified.

25. DATE OF AUTHORISATION FOR ISSUE

These condensed unconsolidated interim financial statements were approved and authorised for issue on April 26, 2024 by the Board of Management.



Syed Muhammad Taha
Managing Director & CEO






Asif Baigmohamed
Chairman – Board of Management



Gulzar Khoja
Chief Financial Officer

Condensed Consolidated Interim Statement of Financial Position

As at March 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	44,832,999	41,030,347
Right-of-use assets	8	7,485,352	7,013,623
Intangibles		274,817	253,973
Long-term investments	9	6,149,863	6,396,650
Long-term loans, advances and other receivables		982,299	768,084
Long-term deposits		383,175	391,932
Deferred tax asset - net		22,863,905	22,196,404
Retirement benefits		18,531	19,105
		<u>82,990,941</u>	<u>78,070,118</u>
Current assets			
Stores, spares, chemicals and loose tools		3,013,313	2,648,423
Stock-in-trade	10	327,071,600	326,106,697
Trade debts	11	526,798,989	505,968,432
Loans and advances		1,625,755	603,602
Short-term deposits and prepayments		1,206,668	1,342,066
Other receivables	12	139,325,972	112,089,504
Investments	13	11,746,144	-
Cash and bank balances		40,658,361	40,624,965
		<u>1,051,446,802</u>	<u>989,383,689</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u><u>1,134,437,743</u></u>	<u><u>1,067,453,807</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		232,985,722	220,313,579
Equity attributable to the owners of the Holding Company		237,680,456	225,008,313
Non-controlling interest		9,199,545	7,335,685
		<u>246,880,001</u>	<u>232,343,998</u>
Non-current liabilities			
Retirement and other service benefits		13,083,858	11,822,158
Long term borrowings		3,000,000	2,000,000
Lease liabilities		7,410,170	6,744,426
Deferred income - Government grant		100,000	100,000
Other payable		741,431	593,849
		<u>24,335,459</u>	<u>21,260,433</u>
Current liabilities			
Trade and other payables	14	413,561,351	342,187,101
Short-term borrowings		433,640,494	452,539,602
Accrued interest / mark-up		8,877,427	11,999,938
Provisions		639,413	639,413
Current portion of lease liabilities		577,109	511,430
Taxation - net		4,280,738	4,390,797
Unclaimed dividend		1,645,751	1,581,095
		<u>863,222,283</u>	<u>813,849,376</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,134,437,743</u></u>	<u><u>1,067,453,807</u></u>
Contingencies and commitments			
	15	The annexed notes 1 to 27 form an integral part of these condensed consolidated interim financial statements.	
			
Syed Muhammad Taha Managing Director & CEO		Asif Baigmohamed Chairman – Board of Management	
			
		Gulzar Khoja Chief Financial Officer	

Condensed Consolidated Interim Statement of Profit or Loss (Un-Audited)

For the nine months and quarter ended March 31, 2024

Note	Nine months ended		Quarter ended		
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
----- (Rupees in '000) -----					
Net sales	16	2,801,268,434	2,602,311,458	873,633,853	827,093,126
Cost of products sold		(2,708,715,409)	(2,538,162,208)	(850,277,459)	(778,854,236)
Gross profit		92,553,025	64,149,250	23,356,394	48,238,890
Other income	17	16,740,331	13,837,413	3,302,858	2,511,910
Operating costs					
Distribution and marketing expenses		(14,194,916)	(10,717,838)	(5,122,698)	(4,578,073)
Administrative expenses		(5,406,055)	(4,433,262)	(1,775,566)	(1,217,358)
Provision for impairment on financial assets - net		(871,134)	(478,330)	(11,480)	(211,223)
Other expenses		(6,808,619)	(2,345,668)	(1,705,272)	(2,197,799)
		(27,280,724)	(17,975,098)	(8,615,016)	(8,204,453)
Profit from operations		82,012,632	60,011,565	18,044,236	42,546,347
Finance costs	18	(43,219,076)	(28,319,808)	(15,875,060)	(14,562,947)
Share of profit / (loss) of associates - net of tax		1,083,677	(1,021,968)	300,547	(1,492,385)
Profit before taxation		39,877,233	30,669,789	2,469,723	26,491,015
Taxation					
- current		(23,813,748)	(19,083,570)	(1,734,573)	(9,865,740)
- prior		2,073,119	641,020	1,811,975	(54,848)
- deferred		375,473	376,496	1,197,539	(4,030,890)
		(21,365,156)	(18,066,054)	1,274,941	(13,951,478)
Profit for the period		18,512,077	12,603,735	3,744,664	12,539,537
Profit / (Loss) attributable to:					
Owners of the Holding Company		16,648,217	11,758,811	4,437,966	12,942,792
Non-controlling interest		1,863,860	844,924	(693,302)	(403,255)
		18,512,077	12,603,735	3,744,664	12,539,537
----- (Rupees) -----					
Earnings per share - basic and diluted	19	35.46	25.05	9.45	27.57

The annexed notes 1 to 27 form an integral part of these condensed consolidated interim financial statements.


Syed Muhammad Taha
 Managing Director & CEO


Asif Baig Mohamed
 Chairman – Board of Management


Gulzar Khoja
 Chief Financial Officer

Condensed Consolidated Interim Statement of Comprehensive Income (Un-Audited)

For the nine months and quarter ended March 31, 2024

Note	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
Profit for the period	18,512,077	12,603,735	3,744,664	12,539,537
Other comprehensive (loss) / income:				
Items that will not be subsequently reclassified to statement of profit or loss:				
Share of actuarial gain / (loss) on remeasurement of staff retirement benefits of associates - net of tax	1,737	(5,721)	-	-
Unrealised (loss) / gain on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1 (748,788)	(24,460)	66,086	52,374
Taxation thereon	292,032	8,072	(25,768)	(17,283)
	(456,756)	(16,388)	40,318	35,091
Other comprehensive (loss) / income	(455,019)	(22,109)	40,318	35,091
Total comprehensive income / (loss) for the period	18,057,058	12,581,626	3,784,982	12,574,628
Profit / (loss) attributable to:				
Owners of the Holding Company	16,193,198	11,736,702	4,478,284	12,977,883
Non-controlling interest	1,863,860	844,924	(693,302)	(403,255)
	18,057,058	12,581,626	3,784,982	12,574,628

The annexed notes 1 to 27 form an integral part of these condensed consolidated interim financial statements.


Syed Muhammad Taha
 Managing Director & CEO


Asif Baig Mohamed
 Chairman – Board of Management


Gulzar Khoja
 Chief Financial Officer

Condensed Consolidated Interim Statement of Changes in Equity (Un-Audited)

For the nine months period ended March 31, 2024

	Share capital	Reserves							Total	
		Capital Reserves			Revenue Reserves					
		Surplus on vesting of net assets	Special Reserve	Unrealised (loss) / gain on remeasurement of FVOCI investments	General reserve	PSO venture capital fund	Un-appropriated profit	Sub-total		Non-controlling interest (NCI)
(Rupees in '000)										
Balance as at July 01, 2022 (Audited)	4,694,734	3,373	8,460,221	2,240,544	25,282,373	1,478,551	178,321,947	215,787,009	6,861,546	227,343,289
Total comprehensive income for nine months period ended										
Profit for the period	-	-	-	-	-	-	11,758,811	11,758,811	844,924	12,603,735
Other comprehensive loss										
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	-	(5,721)	(5,721)	-	(5,721)
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	-	(16,388)	-	-	-	(16,388)	-	(16,388)
	-	-	-	(16,388)	-	-	(5,721)	(22,109)	-	(22,109)
Transactions with the owners:										
Final dividend for the year ended June 30, 2022 at Rs. 10 per share	-	-	-	-	-	-	(4,694,734)	(4,694,734)	-	(4,694,734)
Balance as at March 31, 2023	<u>4,694,734</u>	<u>3,373</u>	<u>8,460,221</u>	<u>2,224,156</u>	<u>25,282,373</u>	<u>1,478,551</u>	<u>185,380,303</u>	<u>222,828,977</u>	<u>7,706,470</u>	<u>235,230,181</u>
Balance as at July 01, 2023 (Audited)	4,694,734	3,373	9,556,610	1,909,133	25,282,373	1,722,212	181,839,878	220,313,579	7,335,685	232,343,998
Total comprehensive income for nine months period ended										
Profit for the period	-	-	-	-	-	-	16,648,217	16,648,217	1,863,860	18,512,077
Other comprehensive (loss) / income										
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	-	1,737	1,737	-	1,737
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	-	(456,756)	-	-	-	(456,756)	-	(456,756)
	-	-	-	(456,756)	-	-	1,737	(455,019)	-	(455,019)
Amount transferred from special reserve by Subsidiary Company	-	-	(9,556,610)	-	-	-	9,556,610	-	-	-
Transactions with the owners:										
Final dividend for the year ended June 30, 2023 at Rs. 7.5 per share	-	-	-	-	-	-	(3,521,055)	(3,521,055)	-	(3,521,055)
Balance as at March 31, 2024	<u>4,694,734</u>	<u>3,373</u>	<u>-</u>	<u>1,452,377</u>	<u>25,282,373</u>	<u>1,722,212</u>	<u>204,525,387</u>	<u>232,985,722</u>	<u>9,199,545</u>	<u>246,880,001</u>

The annexed notes 1 to 27 form an integral part of these condensed consolidated interim financial statements.


Syed Muhammad Taha
 Managing Director & CEO


Asif Baigmohamed
 Chairman – Board of Management


Gulzar Khoja
 Chief Financial Officer

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

1. GROUP LEGAL STATUS AND NATURE OF BUSINESS

The Group consist of Pakistan State Oil Company Limited ("the Holding Company") and its subsidiaries namely Pakistan Refinery Limited, Cerisma (Private) Limited, PSO Renewable Energy (Private) Limited and PSO Venture Capital (Private) Limited. Brief profile of the Holding Company and Subsidiary Companies is given below:

1.1 Pakistan State Oil Company Limited

1.1.1 The Holding Company is a public company incorporated in Pakistan in 1976 and is listed on the Pakistan Stock Exchange. The registered office of the Holding Company is located at PSO House, Khayaban-e-Iqbal, Clifton, Karachi. The principal activities of the Holding Company are procurement, storage and marketing of petroleum and related products. It also blends and markets various kinds of lubricating oils.

1.1.2 The business units of the Holding Company include the following:

Business Unit	Geographical Location
Head Office	PSO House, Khayaban-e-Iqbal, Clifton, Karachi.
Lubes Manufacturing Plant	National Refinery Limited, Korangi, Karachi. Kemari Oil Terminal, Kemari, Karachi.

1.1.3 The Board of Management (the Board) nominated by the Federal Government under Section 7 of the Marketing of Petroleum Products (Federal Control) Act, 1974 ("the Act") manages the affairs of the Holding Company. The provisions of the Act shall have effect notwithstanding anything contained in the Companies Act, 2017 or any other law for the time being in force or any agreement, contract, Memorandum or Articles of Association of the Holding Company.

1.2 Pakistan Refinery Limited

1.2.1 The Subsidiary Company was incorporated in Pakistan as a public limited company in May 1960 and is listed on the Pakistan Stock Exchange. The Subsidiary Company is engaged in the production and sale of petroleum products. As on March 31, 2024, the Holding Company controls 63.56% (June 30, 2023: 63.56%) shares of the Subsidiary Company.

1.2.2 The business units of the Subsidiary Company include the following:

Business Unit	Geographical Location
Head Office & Refinery Complex	Korangi Creek Road, Karachi.
Storage tanks	Kemari, Karachi.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

1.3 Cerisma (Private) Limited

Cerisma (Private) Limited (Cerisma), a wholly owned subsidiary, was incorporated on September 29, 2022 as a private limited company. The principal activity of Cerisma is to set-up, manage, own, administer and run electronic money institution (EMI) under EMI Regulations. As on March 31, 2024, the Holding Company has subscribed to 499,999 shares of Cerisma.

The principal place of business for Cerisma is Sindh, Pakistan.

1.4 PSO Renewable Energy (Private) Limited

PSO Renewable Energy (Private) Limited (PRE), a wholly owned subsidiary, was incorporated on December 2, 2022 as private limited company. The principal activity of PRE is to carry on businesses of renewable energy, its manufacturing, processing and installation thereof. As at March 31, 2024, the Company has subscribed to 999,999 shares of PRE.

The principal place of business for PRE is Sindh, Pakistan.

1.5 PSO Venture Capital (Private) Limited

Pakistan Venture Capital (Private) Limited (PSOVC), a wholly owned subsidiary, was incorporated on April 5, 2023 as private limited company. The principal activity of PSOVC is to carry on business of private equity and venture capital fund management services. As at March 31, 2024, the Company has subscribed to 147,799,999 shares of PSOVC.

The principal place of business for PSOVC is Sindh, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements of the Group for the nine months period ended March 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended June 30, 2023. These condensed consolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3** The Securities and Exchange Commission of Pakistan (SECP) through SRO 67(I)/2023 dated January 20, 2023 has granted exemption from application of expected credit losses (ECL) method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt till December 31, 2024, provided that the Holding Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Holding Company has not recorded impact of aforesaid ECL on trade debts of SNGPL, HUBCO and GENCO in these condensed consolidated interim financial statements based on the exemption granted by SECP in this respect.
- 2.4** As mentioned in note 2.8 of the annual consolidated financial statements as at and for the year ended June 30, 2023, the Honourable Supreme Court of Pakistan in its short order dated October 22, 2020, in the cases filed by other companies declared that Benazir Employees Stock Option Scheme (BESOS) is unconstitutional and ultra-vires. The Ministry of Energy (Petroleum Division) through its letter reference F.No. 8(9)/2014/BESOS/D-III (Volume-IV) dated November 25, 2020 directed the Holding Company while referring Finance's Division letter no. F.2 (39) - NTR/2-2-F dated November 19, 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund. As at March 31, 2024, the Holding Company awaits the specific instructions from the Ministry of Energy (Petroleum Division) regarding the winding up of the Trust, after which it shall take the requisite corporate actions for the transfer of 3.04% shareholding back to the Federal Government and related actions for liquidation of the Trust and crediting the Trust funds in the Federal Consolidated Fund.
- 2.5** These condensed consolidated interim financial statements are presented in Pakistan Rupee which is also the Group's functional currency.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these condensed consolidated interim financial statements, in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended June 30, 2023.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted for the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the Group's annual audited financial statements for the year ended June 30, 2023.

5. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATIONS AND FORTHCOMING REQUIREMENTS

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2023 but are considered not to be relevant or do not have any significant effect on the Group's financial position and are therefore not stated in these condensed consolidated interim financial statements.

6. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE

There are standards, amendments and interpretations with respect to the accounting and reporting standards as applicable in Pakistan, that would be effective from future, but, are considered not to be relevant or do not have any significant effect on the Group and accordingly have not been stated in these condensed consolidated interim financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Un-audited)		(Un-audited)	
----- (Rupees in '000) -----				
Freehold land	50,633	345,038	-	-
Buildings on freehold land	98,157	25,788	-	2,778
Buildings on leasehold land	15,690	96,339	-	557
Tanks and pipelines	560,576	922,840	-	46
Service and filling stations	1,469,344	658,971	408	706
Plant and machinery	820,465	467,652	-	212
Furniture and fittings	120,710	30,595	66	97
Vehicles and other rolling stock	221,859	279,757	5,015	6,381
Office equipments	297,481	106,141	-	445
Gas cylinders / regulators	52,552	16,950	-	-
	3,707,465	2,950,071	5,489	11,222

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

7.2 The above disposals represented assets costing Rs. 137,436 thousand (March 31, 2023: Rs. 553,700 thousand) and were disposed off for Rs. 47,366 thousand (March 31, 2023: Rs. 80,190 thousand).

7.3 As at March 31, 2024, operating assets includes net book value of Rs. 767,647 thousand (June 30, 2023: Rs. 899,666 thousand) in respect of the Holding Company's share in joint operations.

7.4 As at March 31, 2024, capital work-in-progress includes amount of Rs. 333,786 thousand (June 30, 2023: Rs. 192,987 thousand) in respect of the Holding Company's share in joint operations.

8. RIGHT-OF-USE ASSETS

During the period, the Group recognised right-of-use assets comprising mainly land amounting to Rs. 751,839 thousand (March 31, 2023: Rs. 145,989 thousand) and modification amounting to Rs. 600,170 thousand (March 31, 2023: Rs. 214,990 thousand). Further, right-of-use assets having net book value of Rs. 16,606 thousand (March 31, 2023: Nil) have been disposed off due to the extinguishment of lease during the period.

9. LONG-TERM INVESTMENTS

Investment in related parties

Investment held at fair value through other comprehensive income

Unquoted company

- Pak-Arab Pipeline Company Limited (PAPCO)
Equity held: 12% (June 30, 2023: 12%)
No. of shares: 8,640,000
(June 30, 2023: 8,640,000) of Rs. 100/- each

Note	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
9.1	3,244,411	3,993,199
Investment in associates		
Unquoted companies		
	2,799,942	2,325,836
	105,510	77,615
	2,905,452	2,403,451
	6,149,863	6,396,650

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

- 9.1 The Holding Company has carried out an exercise to ascertain the fair value of investment as at March 31, 2024 using the discounted cash flow technique (Level 3). The following major assumptions and inputs were used by the management to determine the aforesaid fair value:

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
- Discount rate	21.25% - 22.05%	19.56%-19.94%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Holding Company has recorded an unrealised loss (net of tax) of Rs. 456,756 thousand (March 31, 2023: Rs. 16,388 thousand) in other comprehensive income for the period.

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
9.1.1 Movement of investment classified as FVOCI		
Balance at beginning of the period / year	3,993,199	4,208,094
Remeasurement loss recognised in other comprehensive loss	(748,788)	(214,895)
Balance at the end of the period / year	<u>3,244,411</u>	<u>3,993,199</u>
9.1.2 Sensitivity to unobservable inputs:		
- Discount rate (1% increase)	(232,551)	(294,970)
- Discount rate (1% decrease)	266,744	343,832
- Growth rate of terminal value (1% increase)	153,367	208,593
- Growth rate of terminal value (1% decrease)	(134,495)	(179,941)

10. STOCK-IN-TRADE

As at March 31, 2024, stock has been written down by Rs. 173,421 thousand (June 30, 2023: Rs. 56,720 thousand) to arrive at its net realisable values.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

	Note	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----			
11. TRADE DEBTS			
 Considered good			
Due from Government agencies and autonomous bodies			
- Secured	11.1	890,480	77,603
- Unsecured	11.2 & 11.3	465,874,107	436,761,005
		466,764,588	436,838,608
Due from other customers			
- Secured	11.1	4,698,116	6,628,389
- Unsecured	11.2 & 11.3	55,336,285	62,501,435
		60,034,401	69,129,824
		526,798,989	505,968,432
 Considered doubtful		3,993,224	3,074,871
Trade debts - gross		530,792,214	509,043,303
Less: Provision for impairment	11.5	(3,993,224)	(3,074,871)
Trade debts - net		526,798,989	505,968,432

11.1 These debts are secured by way of bank guarantees and security deposits.

11.2 Includes Rs. 412,928,896 thousand (June 30, 2023: Rs. 437,863,784 thousand) due from related parties, against which provision for impairment of Rs. 1,529,338 thousand (June 30, 2023: Rs. 851,302 thousand) has been recognised.

11.3 These debts include an aggregate amount of Rs. 457,402,418 thousand (June 30, 2023: Rs. 433,921,957 thousand) due from GENCO Holding Company Limited (GENCO), Hub Power Company Limited (HUBCO), and Sui Northern Gas Pipelines Company Limited (SNGPL) on account of inter-corporate circular debt. These include past due trade debts of Rs. 71,617,958 thousand (June 30, 2023: Rs. 71,921,997 thousand), Rs. 18,135,551 thousand (June 30, 2023: Rs. 18,135,551 thousand) and Rs. 324,698,802 thousand (June 30, 2023: Rs. 298,429,214 thousand) from GENCO, HUBCO and SNGPL respectively, based on the agreed credit terms. The Holding Company carries a specific provision of Rs. 346,975 thousand (June 30, 2023: Rs. 346,975 thousand) against these debts and does not consider the remaining aggregate past due balance of Rs. 414,105,337 thousand (June 30, 2023: Rs. 388,139,788 thousand) as doubtful based on measures being undertaken by the Government of Pakistan (GoP) to resolve circular debt issue. The Holding Company is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Holding Company's trade debts. The Holding Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.

11.4 As at March 31, 2024 trade debts aggregating Rs. 92,917,419 thousand (June 30, 2023: Rs. 114,998,402 thousand) are neither past due nor impaired. The remaining trade debts aggregating to Rs. 433,881,572 thousand (June 30, 2023: Rs. 390,970,030 thousand) are past due but not impaired.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

Based on the past experience, past track record and recoveries, the Group believes that the above past due trade debts do not require any additional provision for impairment except as provided in these condensed consolidated interim financial statements.

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
11.5	The movement in provision during the period / year is as follows:	
	3,074,871	2,872,347
Balance at beginning of the period / year		
Provision recognised during the period / year	1,162,991	282,038
Reversal of provision made during the period / year	(244,638)	(79,514)
	918,353	202,524
Balance at the end of the period / year	<u>3,993,224</u>	<u>3,074,871</u>

12. OTHER RECEIVABLES

12.1 Included in other receivables is long outstanding aggregate amount due from GoP on account of the following receivables, as more fully explained in note 17 to the consolidated annual audited financial statements for the year ended June 30, 2023:

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
Price Differential Claims (PDC):		
- on imports of Motor Gasoline - (net of related liabilities)	1,350,961	1,350,961
- on High Speed Diesel	602,604	602,604
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GENCO receivables	3,407,357	3,407,357
	<u>9,297,420</u>	<u>9,297,420</u>

12.2 Includes receivable of Rs. 130,990,511 thousand (June 30, 2023: Rs. 107,227,518 thousand) due from associates and related parties.

12.3 As at March 31, 2024, receivables aggregating to Rs. 9,215,739 thousand (June 30, 2023: Rs. 9,262,958 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

Note	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
Balance at beginning of the period / year	9,262,958	9,028,322
Provision recognised during the period / year	2,041	300,000
Reversal of provision during the period / year	(49,260)	(65,364)
	(47,219)	234,636
Balance at the end of the period / year	<u>9,215,739</u>	<u>9,262,958</u>

- 12.4** As at March 31, 2024 net unfavourable amount of foreign exchange difference of Rs. 64,148,727 thousand (June 30, 2023: Rs. 70,522,852 thousand) was receivable on foreign currency borrowings (FE-25), obtained under the directives of MoF - GoP. These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Group recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Group in respect of these long / extended term borrowing arrangements i.e. the Group would not bear any exchange differences on such borrowings. The Group is actively pursuing with MoF - GoP for settlement of this receivable and is confident for recovery of the same.

13. INVESTMENTS

This represents short-term investment by Subsidiary Company in Treasury Bills. Fair values of these investments are determined using repurchase price and carry interest yield of 21.48% to 21.68% per annum (June 30, 2023: Nil) per annum. These Treasury Bills will be matured latest by October 31, 2024.

14. TRADE AND OTHER PAYABLES

Includes Rs. 106,268,744 thousand (June 30, 2023: Rs. 134,442,067 thousand) due to various related parties.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

The Group has contingent liabilities in respect of unrecognized late payment surcharge, pending tax matters and other legal claims in the ordinary course of business. There is no significant change in the status of contingencies as disclosed in notes 31.1.1 to 31.1.5 to the annual audited consolidated financial statements of the Group for the year ended June 30, 2023 other than as mentioned in the below notes.

15.1.1 Late Payment Surcharge

Claims against Subsidiary Company amounting to Rs. 1,892,499 thousand (June 30, 2023: Rs. 1,900,000 thousand) in respect of delayed payment charges have not been recognized on the understanding that these will be payable only when the Group will

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

fully realize delayed payment charges due from its customers, which is more than the aforementioned amount. Charges claimed by the Group against delayed payments by the customers, due to circular debt situation, are recognised on receipt basis as the ultimate outcome of the matter and amount of settlement cannot be presently determined.

15.1.2 Income tax

15.1.2.1 In respect of matter disclosed in note 31.1.2.1 to the consolidated financial statements for the year ended June 30, 2023, the Holding Company has obtained an appeal effect order dated October 26, 2023 in respect of ATIR order from taxation authorities for the tax year 2007 after which demand has been further reduced to Rs. 169,744 thousand. Based on views of the tax advisor, the management believes that it is more likely than not that the matters will ultimately be decided in the favour of the Holding Company. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.3 Other Legal Claims

15.1.3.1 As at March 31, 2024 certain legal cases amounting to Rs. 8,521,440 thousand (June 30, 2023: Rs. 8,574,091 thousand) have been filed against the Group. However, based on advice of legal advisors of the Group, the management believes that the outcome of these cases would be decided in Group's favour. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.3.2 Claims against the Group not acknowledged as debts amount to Rs. 13,515,321 thousand (June 30, 2023: Rs. 10,806,297 thousand) other than as mentioned in note 15.1.1 above.

15.1.3.3 The Group's share in associates' contingencies in respect of various tax and legal matters as at March 31, 2024 is Rs. 107,397 thousand (June 30, 2023: Rs. 1,204,002 thousand).

	Un-audited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----		
15.2 Commitments		
15.2.1 Capital expenditure contracted for but not yet incurred	<u>9,638,043</u>	<u>13,916,268</u>
15.2.2 Letters of credit	<u>54,848,335</u>	<u>68,301,655</u>
15.2.3 Bank guarantees	<u>5,913,754</u>	<u>4,238,462</u>
15.2.4 Standby Letters of credit	<u>86,395,860</u>	<u>84,534,155</u>
15.2.5 Post - dated cheques	<u>26,240,709</u>	<u>20,770,881</u>
15.2.6 The Group's share in associates' commitments as at March 31, 2024 is Rs. Nil (June 30, 2023: Rs. 9,346 thousand).		

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

16. NET SALES

	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
Gross Sales	3,042,778,760	2,808,026,635	955,606,681	894,001,122
- Sales tax	(156,672,372)	(160,231,099)	(57,148,604)	(49,697,524)
- Incremental incentives	(6,720,786)	-	(1,676,728)	-
- Excise duty and petroleum levy	(49,138,292)	(20,635,447)	(12,163,029)	(10,785,944)
- Surplus price differential	(7,565,484)	(11,325,377)	(1,209,172)	(3,034,516)
- Custom duty	(1,230,730)	(6,674,182)	315	(1,883,308)
- Inland Freight Equalization Margin (IFEM)	(20,182,662)	(6,849,072)	(9,775,610)	(1,506,704)
	(241,510,326)	(205,715,177)	(81,972,828)	(66,907,996)
Net Sales	2,801,268,434	2,602,311,458	873,633,853	827,093,126

17. OTHER INCOME

Mainly includes delayed payment surcharge received from customers, profit on bank deposits and reimbursement of financial charges on line fill cost in respect of petroleum products in white oil pipeline.

18. FINANCE COSTS

Includes mark-up on short-term borrowings amounting to Rs. 40,965,442 thousand (March 31, 2023: 25,572,336 thousand).

19. EARNINGS PER SHARE

19.1 Basic

	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
Profit for the period attributable to the owners of the Holding Company	16,648,217	11,758,811	4,437,966	12,942,792
----- (Number of Shares) -----				
Weighted average number of ordinary shares in issue during the period	469,473,302	469,473,302	469,473,302	469,473,302
----- (Rupees) -----				
Earnings per share - basic and diluted	35.46	25.05	9.45	27.57

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

19.2 Diluted

There is no dilutive effect on the basic earnings per share of the Holding Company as there are no convertible potential ordinary shares in issue as at March 31, 2024 and March 31, 2023.

	Un-audited Nine months ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
20. CASH GENERATED FROM OPERATIONS		
Profit before taxation	39,877,233	30,669,789
Depreciation and amortisation	4,165,573	3,355,310
Provision for impairment of trade debts - net	918,353	252,473
(Reversal of provision) / provision for other receivables - net	(47,219)	234,729
(Reversal of provision) / provision for stores, spares and loose tools	(51,435)	31,241
Provision for retirement and other services benefits	1,151,190	1,406,771
Provision for write down of inventory to net realisable value	173,421	-
Gain on disposal of operating assets	(41,878)	(68,776)
Gain on disposal of ROUA due to extinguishment	(2,789)	-
Profit on deposits	(2,016,791)	(1,292,877)
Share of profit from associates - net of tax	(1,083,677)	1,021,968
Dividend income from FVOCI investment	(194,475)	(325,546)
Interest on lease payments	663,326	535,373
Finance costs	42,555,750	27,784,435
	46,189,349	32,935,101
Changes in:		
- Stores, spares and loose tools	(313,455)	(845,434)
- Stock-in-trade	(1,138,324)	(44,549,414)
- Trade debts	(21,748,910)	(114,137,380)
- Loans and advances	(1,022,153)	(88,447)
- Deposits and short-term prepayments	135,398	(827,974)
- Other receivables	(27,523,995)	(59,084,663)
- Trade and other payables	71,521,832	(55,282,165)
	19,910,393	(274,815,477)
	105,976,975	(211,210,587)

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of the following items in these condensed consolidated interim statement of financial position:

	Un-audited Nine months ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Investments	-	10,001,602
Cash and bank balances	40,658,361	20,303,995
Short-term borrowings (finances under mark-up arrangements)	(10,390,282)	(45,904,584)
	30,268,079	(15,598,987)

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

22. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Group's financial risk management policies and objectives are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended June 30, 2023.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2023. There have been no change in any risk management policies since the year end.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. The carrying values of all financial assets and liabilities reflected in these condensed consolidated interim financial statements approximate their fair values. The Group analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As at March 31, 2024, except for the Holding Company's investment in PAPCO, none of the financial instruments are carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 9.1 of these condensed consolidated interim financial statements.

23. TRANSACTIONS WITH RELATED PARTIES

- 23.1 Related parties comprise of associates, retirement benefit funds, state owned / controlled entities, GoP and its related entities and key management personnel. Details of transactions with the related parties during the period, other than those disclosed elsewhere in these condensed consolidated interim financial statements, are as follows:

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

Name of the related party and relationship with the Group	Nature of Transactions	Un-audited Nine months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
Associates			
- Pak Grease Manufacturing Company (Private) Limited	Purchases	-	66,337
	Dividend received	7,683	-
- Asia Petroleum Limited	Income facility charges	427,927	19,096
	Pipeline charges	-	119,291
	Dividend received	575,732	230,293
- Energycio PK Limited	Purchases	4,855,325	12,535,682
- Petroleum Institute of Pakistan	Services received	36,748	-
- Mari Petroleum Company Limited	Purchases	97,670	-
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	581,469	404,347
	Contribution made	386,157	341,976
- Gratuity Fund	Charge for the period	569,147	434,059
	Contribution made	277,569	238,309
- Provident Funds	Charge / Contribution for the period	250,052	230,911
- Pension Funds (Defined Contribution)	Charge / Contribution for the period	175,348	168,503
Key management personnel			
	Managerial remuneration including benefits and perquisites	791,332	626,227
Non-executive Directors			
	Remuneration and fees	46,995	15,625

* There are no transactions with the key management personnel other than those covered under their terms of employments / entitlements.

23.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 22.47% of the Holding Company's issued share capital and is entitled to appoint members of the Board of Management (BoM) under the provisions of the Marketing of Petroleum Products (Federal Control) Act, 1974 for management of the affairs of the Holding Company. The Holding Company, therefore, considers that the GoP is in a position to exercise control over it and therefore regards the GoP and its various bodies as related parties for the purpose of disclosures in respect of related parties.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

The Group has availed the exemption available to it under its reporting framework, and therefore has not provided detailed disclosures of its transactions with government related entities except for transactions stated below, which the Group considers to be significant:

Name of the related party	Nature of Transactions	Un-audited Nine months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
- Government of Pakistan	Dividend paid	791,281	1,055,041
- Holding Company's Employees Empowerment Scheme	Dividend paid to the trust	106,977	142,636
- Board of Management	Contribution towards expenses of BoM	26,457	16,772
- Pak Arab Pipeline Company Limited	Pipeline charges Dividend received	5,092,390 194,475	1,053,684 325,546
- Sui Northern Gas Pipelines Limited	Gross sales	880,311,967	839,474,074
- Nothern Power Generation Company Limited	Gross sales	-	3,497,652
- CPPA	Gross sales	-	4,078,733
- Jamshoro Power Company Limited	Gross sales	1,615,470	2,706,624
- Water and Power Development Authority	Utility Charges	93,262	147,484
- WAPDA Foundation	Gross sales	-	1,157,850
- Pakistan Railways	Gross sales	28,046,859	19,896,463
- Pakistan International Airlines Corporation Limited	Gross sales Purchases	40,567,056 11,015	41,499,962 3,629
- Government Holdings (Pvt) Limited	Purchases	1,896,093	1,612,540
- Pak Arab Refinery Limited	Gross sales Purchases Pipeline charges Other expenses	28,226,784 400,041,678 1,021,716 21,866	3,677,766 425,162,147 5,038,583 23,781
- Oil and Gas Development Company Limited	Purchases	10,751,639	9,108,984
- Pakistan Petroleum Limited	Gross sales Purchases	277,910 667,305	83,170 1,929,481
- K-Electric Limited	Gross sales Income facility charges	15,302,226 6,009	78,749,698 34,615
- National Bank of Pakistan	Finance cost and bank charges	11,038,655	3,999,359

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

The transactions described below are collectively but not individually significant to these condensed consolidated interim financial statements and therefore have been described below:

- (i) The Group sells petroleum products to various government bodies in the normal course of its business and has banking relationship with institutions controlled by GoP. As an Oil Marketing Group, Oil and Gas Regulatory Authority (OGRA) is the regulatory authority of the Group.
- (ii) The Group collects income tax, sales tax, federal excise duty and petroleum levy in the capacity of withholding agent on behalf of GoP. The Group also pays various taxes and duties to different regulatory authorities including Federal Board of Revenue.
- (iii) The Group incurs rental charges in respect of storage facilities at Kemari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Group also utilises port facilities of Port Qasim Authority and Karachi Port Trust.
- (iv) The Group has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
- (v) The Group utilises carriage services of Pakistan National Shipping Corporation and Pakistan Railway for movement of its petroleum products. The Group also uses pipeline of Pak Arab Refinery Limited (PARCO) and Pak Arab Pipeline Company Limited (PAPCO) for delivery/movement of its product.
- (vi) The Group obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited, Water and Power Development Authority and K-Electric Limited.
- (vii) The Group sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.
- (viii) The Group has obtained various financing facilities from National Bank of Pakistan.
- (ix) The Group also pays dividend to various government related entities who are shareholders of the Group.

23.3 Inventory of the Holding Company held by related parties as at March 31, 2024 amounting to Rs. 134,905,912 thousand (June 30, 2023: Rs. 112,847,307 thousand).

23.4 Short-term borrowings includes Rs. 139,880,697 thousand (June 30, 2023: Rs. 115,819,571 thousand) under finances obtained from National Bank of Pakistan.

23.5 The status of outstanding receivables and payables from / to related parties as at March 31, 2024 are included in respective notes to these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

- 23.6 Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

		Un-audited Nine months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
24.	OPERATING SEGMENTS		
24.1	Segment wise revenues and profit are as under:		
	Revenue - net sales		
	Petroleum Products	1,919,682,000	1,795,817,000
	Liquefied Natural Gas (LNG)	743,921,000	716,067,000
	Refining operations	130,510,818	85,358,163
	Others	7,154,616	5,069,295
		<u>2,801,268,434</u>	<u>2,602,311,458</u>
	Profit / (loss) for the period		
	Petroleum Products	31,426,000	17,479,000
	Liquefied Natural Gas (LNG)	(23,513,000)	(8,585,000)
	Refining operations	5,114,873	2,318,671
	Others	5,484,204	1,391,064
		<u>18,512,077</u>	<u>12,603,735</u>

- 24.2 Timing of revenue recognition is at a point in time.

- 24.3 Out of total sales of the Group, 99.3% (March 31, 2023: 99.5%) relates to customers in Pakistan.

- 24.4 All non-current assets of the Group as at March 31, 2024 and 2023 are located in Pakistan and Bangladesh. Sales to five major customers of the Group are approximately 33.4% during the nine months period ended March 31, 2024 (March 31, 2023: 36%).

- 24.5 Out of total gross sales of the Group, sales for the nine months period ended March 31, 2024, amounting to Rs. 881,927,437 thousand (March 31, 2023: Rs 888,716,250 thousand), relates to circular debt customers.

25. EVENTS AFTER THE REPORTING DATE

The Board of Management of the Holding Company in its meeting held on April 26, 2024 has proposed an interim cash dividend of Rs. Nil (March 31, 2023: Nil) amounting to Rs. Nil (March 31, 2023: Nil) for the year ending June 30, 2024.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the nine months period ended March 31, 2024

26. GENERAL

The figures are rounded off to the nearest thousand rupees, unless otherwise specified.

27. DATE OF AUTHORISATION FOR ISSUE

These condensed consolidated interim financial statements were approved and authorised for issue on April 26, 2024 by the Board of Management of the Holding Company.



Syed Muhammad Taha
Managing Director & CEO



Asif Baigmohamed
Chairman – Board of Management



Gulzar Khoja
Chief Financial Officer

اپنی پیر خواہی اور فلاح و بہبود کی بنیادی اقدار سے ہم آہنگی برقرار رکھتے ہوئے پی ایس او اپنے پی ایس آرٹسٹس کے ذریعے کمیونٹی کے لیے نمایاں خدمات انجام دیتی رہی۔ ٹرسٹ نے رمضان المبارک میں ملک بھر میں راشن کی تقسیم کی مہم انجام دی، جس میں پاکستان بھر میں پوسا منڈہ برادریوں کی ترقی کے لیے 100 ملین روپے کی سرمایہ کاری کی گئی، جو امید، اتحاد اور اجتماعی طاقت کی علامت ہے۔ اس کے علاوہ پی ایس او پی ایس آرٹسٹس نے مختلف فلاحی اداروں کو 201 ملین روپے کے عطیات جاری کیے، جو گھناہٹ، تہمت، تعلیم، نوجوانوں کی ترقی، سماجی اداروں کی ترقی اور کمیونٹی کی فلاح کے اقدامات کے لیے دیے گئے۔

کمپنی، ملک بھر میں ایدھن کی مسلسل فراہمی، اسٹاک کی مناسب سطح کو برقرار رکھنے اور ملک کی معیشت کے پیسے کو رواں دواں رکھنے کے اپنے مشن پر ثابت قدمی سے عمل پیرا ہے۔ کمپنی کی مالی اور آپریشنل کارکردگی کو بڑھانے کے لیے ہم مختلف اقدامات کر رہے ہیں جن میں ڈیجیٹلائزیشن اور آٹومیشن، پروسس سے استفادہ، اور آپریشنل ساکھ اور صلاحیت کو بڑھانا شامل ہیں۔ نیز، ہم قدر اضافی کی حامل خدمات کے ذریعے صارف کے تجربے کو بہتر بنانے اور اپنے اسٹریٹجک طویل مدتی پرائیکٹس اور منصوبوں کے ذریعے حصص داروں (شیئر ہولڈرز) کے لیے قدر پیدا کرنے کا مقصد رکھتے ہیں۔

گردشی قرضوں کا مسئلہ کمپنی کے لیے خاصی دشواریوں کا باعث بنا رہا۔ 31 مارچ 2024 تک پی ایس او کے بقایا واجبات (علاوہ لیٹ ہیمنٹ سرچارج) 528 ارب روپے تھے جن میں سے 368 ارب روپے ایس این جی پی ایل کے واجب الادا تھے۔ دریں اثنا، بلند اوسط قرض (borrowing) کے باعث گذشتہ برس کی اسی مدت کے مقابلے میں مالی اخراجات میں 61 فیصد اضافہ ہوا۔ گردشی قرضوں کے مسئلے کی وجہ سے پی ایس او کی مالیات پر پڑنے والے بوجھ کو کم کرنے کے لیے اور صل تلاش کرنے کے لیے حکومت کے ساتھ ساتھ باہمی گفت و شنید جاری ہے۔

جیسے ہی معاشی اشاریے مستحکم ہوں گے، ہماری کاروباری حکمت عملیوں کے ساتھ ساتھ گردشی قرضوں کے واجبات کے مسئلے کے حل سے توقع ہے کہ مستقبل قریب میں حصص داروں کی قدر میں خاطر خواہ اضافہ ہوگا اور اعلیٰ درجے کی کاروباری کارکردگی کو یقینی بنایا جائے گا۔

ہم مستقل اعتماد کے لیے اپنے حصص داروں، صارفین، کاروباری شراکت داروں اور ملازمین کا شکریہ ادا کرتے ہیں۔ ہم رہنمائی اور معاونت کے لیے، حکومت پاکستان، بالخصوص وزارت توانائی (پیٹرولیم ڈویژن) کے بھی شکر گزار ہیں۔



آصف بیگ محمد
چیئر مین۔ بورڈ آف مینجمنٹ



سیّد محمد طہ
ٹیچنگ ڈائریکٹر اور سی ای او

26 اپریل 2024ء

کراچی

جس سے گیسولین میں مارکیٹ شیئر جو مالی سال 24ء کے پہلے نو ماہ کے دوران 46.4 فیصد تک پہنچ گیا۔ مزید برآں، پی ایس او نے ڈیزل کی مارکیٹ میں اپنے قدم مضبوطی سے جمائے رکھے اور اورو 54.5 فیصد مارکیٹ شیئر حاصل کیا۔

فرانس آئل پمپنگ کمپنی کی پیداوار میں کمی کی وجہ سے فروخت میں سال بہ سال 74.6 فیصد کمی کے باوجود کمپنی نے بلیک آئل مارکیٹ میں اپنی صف اول کی پوزیشن برقرار رکھی اور اس عرصے کے دوران 247 ہزار میٹرک ٹن فروخت کی۔ پی ایس او نے جیٹ فیول کی صنعت میں اپنی قائدانہ حیثیت برقرار رکھتے ہوئے 99.4 فیصد کا غیر معمولی مارکیٹ شیئر حاصل کیا۔

پی ایس او اپنی اسٹوریج کی صلاحیتوں کو بڑھانے کے لیے تن دہی سے کام کر رہی ہے، جس کا مقصد کمپنی کے آپریشنز کی استعداد اور ساکھ کو مزید توسیع دینا ہے۔ دوران مدت کمپنی نے فیصل آباد، قمبر آباد اور محموڈ کوٹ میں 91 ہزار میٹرک ٹن کی مجموعی استعداد کے ساتھ 7 نئے اسٹوریج ٹینکوں کی تعمیر مکمل کی۔

مزید برآں سہ ماہی مارٹنگ یا ڈی (پی ایم اوئی)، ایف آئل ٹریٹمنٹ (پی اوئی)، حبیب آباد اور ساہیوال میں 26.6 ہزار میٹرک ٹن استعداد کے اسٹوریج ٹینکوں کو کامیابی کے ساتھ بحال کیا گیا۔ اس وقت ذوالفقار آباد، سہارلا اور محموڈ کوٹ فرمیں ڈی اے 21.4 ہزار میٹرک ٹن ذخیرہ کاری کی صلاحیت کے لیے کوششیں جاری ہیں، جس سے کمپنی کے انفراسٹرکچر کو بہتر بنانے کے عزم کو تقویت ملتی ہے۔

ریٹیل کے پمپز، پی ایس او نے 37 نئے ریٹیل آؤٹ لیسٹس کی شمولیت سے اپنے دائرہ کار کو وسعت دی اور اس کے نتیجے میں ملک بھر میں ان کی مجموعی تعداد 3,555 سٹیشن تک پہنچ گئی۔ یہ اپنے صارفین کو قابل رسائی اور قابل اعتماد توانائی کے سولوشنز فراہم کرنے کے لیے کمپنی کے عزم کا عملی اظہار ہے۔

پی ایس او کی فن ٹیک شاخ سیریسما (پرائیویٹ) لمیٹڈ کو اسٹیٹ بینک آف پاکستان (ایس بی پی) کی جانب سے الیکٹرانک منی آئسٹی ٹیوٹ (ای ایم آئی) کی اصولی منظوری دے جانے کا اہم پیش رفتی قدم ہے۔ یہ کامیابی مالی شمولیت اور بااختیار بنانے کے ضمن میں انقلاب کا پیش خیمہ ہے، جس سے ملک بھر میں مالی رسائی کو نئی بلندیوں تک پہنچانے کے لیے ڈیجیٹل فریم ورک کا استعمال کیا جائے گا۔

کمپنی کے جدید ترین فیول میجنٹ سسٹم سولوشن کے حصے کے طور پر قومی علم بردار پی ایس او اور پاکستان ریلویز (پی آر) نے کراچی اور لاہور میں حال ہی میں اپنے گرڈنگ گی ریلوے فلنگ اینڈ اسٹوریج سہولتوں کا افتتاح کیا، جو آپریشنل استعداد بڑھانے کے حوالے سے ایک اہم قدم کی نمائندگی کرتا ہے اور دونوں اداروں کے مابین 4 دہائیوں سے زائد عرصے سے جاری تعلقات کو مزید مستحکم کرتا ہے۔

پاکستان میں ایندھن کی سپلائی یقین کو مستحکم بنانے کے لیے پی ایس او فرٹینر ورکس آرگنائزیشن (ایف ڈبلیو او) اور انٹرانیشنل گیس سٹور (پرائیویٹ) لمیٹڈ (آئی ایس جی ایس) کے تعاون سے شمالی پاکستان میں وائٹ آئل پائپ لائن (ڈبلیو او پی) اقدام کے ذریعے توانائی کے منظر نامے کو تبدیل کرنے کے لیے تیار ہے، جس کا مقصد ماہیچیکے (لاہور) سے تاروچہ (پشاور) تک پائپ لائن نیٹ ورک کو توسیع دینا ہے۔

اس اقدام سے ملک کے کاربن میں اخراج (کاربن فٹ پرنٹ) میں نمایاں کمی کی راہ ہموار کرنے کے ساتھ ساتھ ایندھن کے بڑے ذخیرے کی طویل فاصلوں تک نقل و حمل میں بہتر کارکردگی، لاگت میں کمی، بہتر حفاظتی معیارات اور سڑکوں پر ٹریفک میں پیدا ہونے والے فضلے میں کمی آئے گی۔

پلاسٹک کے فضلے کو کم کرنے اور ماحول دوست انفراسٹرکچر کو فروغ دینے کے لیے جاری کوششوں کے ایک حصے کے طور پر، کمپنی نے ایکو (ECO) اسٹریٹ انیشی ایٹو کا آغاز کیا، جس کے لیے پی ایس او نے کراچی میں واقع اپنے لبریکینٹ میٹھو پٹرنگ ٹریٹمنٹ (ایل ایم ٹی) سے 5,000 کلوگرام کی سائیکل شدہ پلاسٹک فضلے کو دوبارہ قابل استعمال بنایا۔ اس اقدام سے تقریباً 49,428 مربع فٹ کی روایتی سڑک کو سبز زندگی کی علامت (پلاسٹک سڑک) میں تبدیل کر دیا گیا، جس سے نہ صرف فضلے میں کمی آئی بلکہ سڑک کی پائیداری میں بھی اضافہ ہوا، جس نے ماحولیاتی طور پر ذمہ دار تعمیرات کے لیے ایک نیا معیار قائم کیا۔

رپورٹ برائے شیئر ہولڈرز

31 مارچ 2024ء کو اختتام پذیر ہونے والی نو ماہ کی مدت کے لیے

پاکستان اسٹیٹ آئل (پی ایس او) کا بورڈ آف مینجمنٹ 31 مارچ 2024ء کو ختم ہونے والی گلدستہ نو ماہ کی مدت کے لیے کمپنی اور گروپ کے جامع غیر مجموعی اور مجموعی عبوری مالی بیانات پیش کرتے ہوئے سمرٹ محسوس کرتا ہے۔

پی ایس او نے اپنے عزم اور مستقل مزاجی کا مظاہرہ جاری رکھتے ہوئے مالی سال 24ء کے پہلے نو ماہ کے دوران 13.4 ارب روپے کا خالص منافع حاصل کیا (مالی سال 23ء کی اسی مدت میں 10.3 ارب روپے کا خالص منافع ہوا تھا)، جس کے نتیجے میں فی حصص آمدنی 28.5 روپے رہی (مالی سال 23ء کے پہلے نو ماہ میں فی حصص آمدنی 21.9 روپے تھی)۔ مزید برآں، کمپنی کی مجموعی فروخت 2.8 ٹریلین روپے رہی (مالی سال 23ء کے پہلے نو ماہ میں 2.7 ٹریلین روپے تھی)۔

اسی طرح گروپ نے مجموعی طور پر مالی سال 24ء کے پہلے نو ماہ کے دوران 16.6 ارب روپے کا خالص منافع حاصل کیا، جو مالی سال 23ء کے پہلے نو ماہ کے دوران ہونے والے 11.8 ارب روپے کے منافع کے مقابلے میں نمایاں اضافہ ہے۔ اس زبردست کارکردگی کے نتیجے میں فی حصص آمدنی 35.5 روپے ہو گئی (مالی سال 23ء کے پہلے نو ماہ میں فی حصص آمدنی 25.1 روپے)۔

عالمی جی ڈی پی کی شرح نمو بڑھ رہی ہے، جس کا تخمینہ اب 3.2 فیصد لگایا گیا ہے، جو دوران سال کے آغاز میں کی گئی 3.1 فیصد کی ابتدائی پیش گوئی سے معمولی زائد ہے۔ اس رویداد سے کئی اہم پیشگوئیاں میں نموی توقعات میں اضافے کی عکاسی ہوتی ہے۔ اس کے ساتھ ساتھ عالمی مہنگائی کی شرح میں نمایاں کمی آئی ہے جو 2022ء کے 8.7 فیصد سے کم ہو کر 2023ء میں 6.8 فیصد رہ گئی، جبکہ 2024ء میں اس کے مزید کمی کے ساتھ 5.9 فیصد ہونے کی پیش گوئی کی گئی ہے۔ تاہم، بڑھتے ہوئے جغرافیائی سیاسی تناؤ نے غیر یقینی صورت حال پیدا کر دی ہے، جس سے ممکنہ طور پر سال کے بقیہ حصے کے لیے رسد اور طلب کی حرکیات متاثر ہو سکتی ہیں۔

ان پیشگوئیوں کے سبب، تیل کی مارکیٹ نمایاں طور پر اتار چڑھاؤ کا شکار رہی ہے۔ مالی سال 24ء کی تیسری سہ ماہی کے دوران تیل کی اوسط قیمت 83 امریکی ڈالر فی بیرل تک پہنچ گئی جو گزشتہ سہ ماہی میں 81 امریکی ڈالر فی بیرل تھی جس سے تیل کی قیمتوں پر دوبارہ بڑھ گیا۔ اس سے نمٹنے کے لیے، اوپیک پلس (اوپیک اور دیگر تیل پیدا کرنے والے ممالک) نے اپنی پیداوار میں رضا کارانہ کٹوتی کو بڑھانے کے فیصلے سے توقع ہے کہ تیل کی قیمتوں میں اتار چڑھاؤ کو کم کیا جاسکے گا، اور مارکیٹ پر اس کا مستحکم اثر پڑے گا۔

مجموعی طور پر ستر روپیہ کے رجحان کے باوجود پاکستان اسٹاک مارکیٹ میں تیزی دیکھی گئی جس سے اقتصادی سرگرمیوں میں اضافہ ہوا۔ کلیدی اشاریوں میں بہتری دکھائی دی، جی ڈی پی کی شرح نمو دوسرے مہینوں میں کمی کے بعد مالی سال 24ء کی تیسری سہ ماہی میں بڑھ کر 2.1 فیصد ہو گئی، جس کی وجہ زراعت میں 5 فیصد اور ایشیا سازی میں 2.5 فیصد نمو تھی۔ مالی سال 24ء کے 9 ماہ میں سی پی آئی پڑنی مہنگائی اوسطاً 27.1 فیصد رہی، جو گزشتہ برس کے 27.3 فیصد کے مقابلے میں قدرے کم ہے۔ مرکزی بینک نے جون 2023ء سے پالیسی ریٹ کو 22 فیصد پر برقرار رکھا ہے۔ تاہم گاڑیوں کے شعبے کو نمایاں مشکلات کا سامنا کرنا پڑا اور مسافر گاڑیوں کی فروخت میں سال بہ سال 37 فیصد اور موٹر سائیکل/تین پہیوں والی گاڑیوں کی فروخت میں 10 فیصد کمی واقع ہوئی۔

پاکستان کی بڑے پیمانے کی ایشیا سازی کی صنعتوں میں گزشتہ برس کی اسی مدت کے مقابلے میں 0.5 فیصد کمی دیکھی گئی۔ تاہم آئندہ سہ ماہیوں میں جی ڈی پی میں اضافے کی توقع ہے کیونکہ آئی ایم ایف نے 2024ء کے دوران پاکستان کے لیے حقیقی جی ڈی پی کی تقریباً 2 فیصد کمی شرح نمو کا تخمینہ لگایا ہے۔

پیٹرولیم کے شعبے میں درپیش نمایاں چیلنجز کے باوجود پی ایس او مارکیٹ میں اپنی موجودگی کو مستحکم رکھنے میں کامیاب رہی اور وائٹ آئل میں مارکیٹ شیئر 1.3 فیصد کے نمایاں اضافے کے ساتھ مدت کے اختتام پر 52.4 فیصد تک پہنچ گیا۔ اس نمو کی بنیادی وجہ کیوسولین (پٹرول) کی فروخت میں 2.1 فیصد اضافہ تھا



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